

U.S. PROBATION & PRETRIAL SERVICES
Middle District of Tennessee

memorandum

Date: November 26, 2024

From: Tiana Rock
U.S. Probation Officer

Subject: Steven L. Piper
Docket No.: 3:22-CR-00340-2

To: The Honorable Barbara D. Holmes
U.S. Magistrate Judge

Proposed Modification of Release Conditions

On October 27, 2022, the defendant appeared in the Middle District of Tennessee before Your Honor pursuant to an Indictment filed on October 24, 2022, in the Middle District of Tennessee. The Government did not file a motion for detention, and Mr. Piper was ordered to be released with pretrial services supervision and subjected to various conditions.

Mr. Piper is charged in a \$24 million scheme to defraud a bank by overstating the collateral used to secure a line of credit that Auto Masters had at Capital One. He is a Certified Public Accountant (CPA), and at the time, he was the Chief Financial Officer (CFO) of the Auto Masters entities. In his role as CFO, Mr. Piper was responsible for preparing the monthly “borrowing base certificates (BBCs)” that Capital One required to fund draws on the line of credit. Mr. Piper was required to submit these certificates to Capital One each month. He periodically requested draws on the line of credit based on the value he represented on the BBCs. However, according to the indictment, Mr. Piper knew the BBCs were false because they vastly overstated the collateral Auto Masters held. Mr. Piper was aware that he and his co-conspirators entered false information on the BBCs.

According to the indictment, Mr. Piper, in his role as CFO, was intimately involved in the scheme. Mr. Piper was one of the few individuals who had access to the falsified loans in the computer system. He then knowingly prepared and submitted to Capital One false borrowing base certificates.

Mr. Piper is also charged with making false statements during the bankruptcy hearing, in that he stated that he did not know about the fraudulently inflated borrowing base certificates. Additionally, he is charged with filing false personal tax returns for three tax years that did not include all income he received from Auto Masters during the alleged scheme.

Per his release conditions, Mr. Piper is required to continue or actively seek employment. On November 20, 2024, Mr. Piper informed Bailie Crawford, Pretrial Technician, of his current employment duties at Charles C. Parks Company in Gallatin, Tennessee. Mr. Piper reported he is employed as a CPA and CFO. Mr. Piper’s responsibilities include money management, lender relations, and making financial decisions. Additionally, Mr. Piper reported that he performs CPA work for approximately 35 to 40 companies involving bookkeeping, filing tax return documents, and accounting. This employment is of concern and a potential third-party risk due to the defendant having access to protected information and his alleged criminal conduct in the instant offense.

Due to the foregoing, it is respectfully recommended that Mr. Piper’s release conditions be modified to add the following conditions:

memorandum

1. Defendant shall not incur new credit charges or existing accounts or apply for additional lines of credit without permission from Pretrial Services. In addition, the defendant shall not enter into any contractual agreements which obligate funds without the permission of Pretrial Services.
2. The defendant shall provide access to any financial records requested by the supervising officer. The defendant shall not co-mingle personal and business funds.
3. The defendant shall notify third parties of risks that may be occasioned by his personal history or characteristics and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.
4. The defendant shall not conduct any financial transactions through the financial account of any business entity not previously disclosed to the supervising officer or through any other individual's financial account.
5. The defendant shall not solicit or receive money from third parties without prior approval by the supervising officer.
6. The defendant shall not secure employment in which he has access to personal identifiers, financial information, or other sensitive information.
7. The defendant must not prepare or file tax returns, except his own, as required by law.

Approved by:



Kimberly J. Haney
Supervisory U.S. Probation Officer

cc: Kathryn W. Booth, Assistant U.S. Attorney
Paul J. Bruno, Defense Counsel